

BUILDING EXCEPTIONAL MARKETING & SALES ORGANIZATIONS

© Pradeep Anand, Seeta Resources, LLC; September 2006

+1 281 797 0797; pradeep@seeta.com; www.seeta.com

Senior executives share a common goal – to increase the *volume, velocity and quality of revenues* of their firms. The exceptional ones are not only good at managing their controllable internal resources and processes, but also at creating and maintaining a holistic, integrated approach in *attracting, getting, and keeping customers*. They create exceptional marketing & sales organizations (EMSOs). Here are some characteristics of EMSOs:

1. **EMSOs exist at firms that have the ambition to create one and ready themselves for the task.**
 - a. Senior executives encourage a balance in strategic thinking combined with passionate tactical implementation.
 - b. Ask two significant questions - “Are we doing the right thing?” and “Are we doing things right”?
 - c. Pursue building EMSOs in the mainstream; it is not a half-hearted effort, in the margin.
 - d. Have very clear goals objectives, plans, tasks, and action items for EMSOs
 - e. Adequate people and resources are allocated to them

2. **Firms with EMSOs take aim carefully before shooting.** They design before building.
 - a. They go beyond their customers to understand market drivers and forces that drive their customers’ behavior.
 - b. They put the right customers first, and stay close to them. They know and understand customers in their chosen markets but don’t waste their time on all customers. They focus only on the ones who contribute directly to their *velocity, volume, quality of revenues* goals.
 - c. They make efforts, beyond market surveys, to walk in their customers’ shoes to comprehend their imperatives and risks, to understand their needs.
 - d. There is a sense of competitive arrogance at firms with EMSO. They understand their competitors but choose not to follow them, instead letting customers dictate their actions.
 - e. Firms with EMSOs recognize that all battles are won on two battlegrounds – differentiation, and ‘total’ products. The latter includes valuable services and intangibles surrounding the purchased core device or service, including quality, reliability, durability, performance, warranty and other factors important to a customer.
 - i. EMSOs create unique, *total solutions* for their targeted customers.
 - ii. They also recognize that *total solutions* vary during different stages of a product lifecycle, requiring more *surrounds* as products mature.
 - iii. They are also effective in using service and product delivery facets as valuable tools in creating differentiated, *total solutions*.
 - iv. They tailor product price and performance exactly to customers’ needs and eliminate areas of over- and under-servicing.
 - v. They are smart and astute at pricing based on value, and competitive alternatives, not costs. Pricing is driven by delivered value and only tempered by competitive pricing.
 - vi. They secure optimum performance of products/services over their life cycles.

3. **EMSOs promote swift execution with passion, grace and fire.**
 - a. EMSOs recognize that *mindshare precedes marketshare* and make customers aware and interested their firms’ offerings in a variety of fiscally responsible ways. They are:
 - i. Focused on right customers, not all.

- ii. Use cheaper, inexpensive resources, not costly salespeople, to create market awareness and interest in their products. EMSOs create drama and buzz around their offerings!
 - iii. Use customers to speak for the firm through rich case histories and credible testimonials, to create market pull/demand for their products. Pushing requires expensive resources.
 - iv. Use customers' tone and language in all communications.
 - v. Smooth in their handoff and transition to salespeople to consummate deals.
 - vi. Know where their customers go to get information for their decisions.
 - vii. Identify and engage *industry influencers* to persuade their targeted customers.
- b. EMSOs create appropriate sales and marketing organizations based on targeted customers with clearly defined paths of penetration, from initial communications to personal selling.
- c. They hire and develop smart, professional salespeople, the infantry/front line of any organization, who:
 - i. Are knowledgeable about customer issues and possess solution expertise
 - ii. Understand the customers, market and industry for the firm's products/services
 - iii. Know the firm's products and the value of the solutions delivered to customers.
 - iv. Proactively and creatively interact, consult, and intervene with buyers/stakeholders to get an edge in the process.
 - v. Have superior judgment and trusted decision-making skills.
 - vi. Understand customer buying cycles, processes, timing and influencers.
 - vii. Have the ability to converse, comfort, and convince all customer stakeholders – end-users, purchasing, technical, management and gatekeepers.
 - viii. Negotiate skillfully
 - ix. Can communicate effectively
 - x. Effectively use sales processes and technologies to their benefit.
 - xi. Are intensely driven by compensation.
 - xii. Have a superior attitude about their firm's products and services.
 - xiii. Train, Train & Train or Learn, Learn & Learn
- d. They focus on constantly improving sales force effectiveness by:
 - i. Increasing organizational and process efficiency to optimize customer and offering mix.
 - ii. Fine tuning sales planning and steering, account and channel management, pricing, sales organization and sales processes.
 - iii. Monitoring sales forecasting, sales cost accounting, sales reporting, and sales incentives.
- e. They utilize their service delivery organization by empowering and providing their service people with incentives to increase sales from existing customers.
- f. They create sticky, joined-at-the-hip customers
 - i. People – Use the Service organization to create personal and organizational relationships.
 - ii. Technology – Merge systems to create interdependencies
 - iii. Processes – Interdependent processes promote stickiness and increases transition costs to other vendors.
 - iv. Programs – Loyalty programs for customer organizations and, where applicable, for individuals too.
- g. EMSOs display fast/rapid OODA (Observe, Orient, Decide, and Act) cycles, and use technologies to hasten processes by providing right information at the right time at the right place to the right people, during customer acquisition and retention processes.
- h. Every employee at EMSOs has disciplined adherence to clearly outlined customer acquisition & retention processes and contributes to their improvement.

- i. At EMSOs knowledge is embedded in processes and technologies, rather than restricted to just people.
- 4. EMSOs use measurements and metrics to monitor and improve performance.**
- a. Constantly evaluate effectiveness of every phase of the marketing & sales process.
 - i. Examples are: Market penetration – share of segment; Customer retention – share of mind; Customer penetration – share of wallet;
 - ii. Some examples for the getting and keeping customer phases are: Customer satisfaction and dissatisfaction rates; New customer acquisition rate; Average new customer contract; New customer retention rate; Client retention rate; Share of customer revenue; Average number of new customers per month; Purchase frequency; Average contract amount; Loss rate
 - b. Tailor price and performance exactly to their customers' needs, thus achieving a sustained increase in profit margins.
 - i. Value of a customer through the entire sales cycle – from suspect to prospect to first time customer to repeat customer.
 - ii. On the lookout for profit destroyers.
 - iii. Calibrate product/service features and price components to their customers' value perception watching out for:
 - 1. Over-servicing: production costs exceed the value perceived by the customer.
 - 2. Under-servicing: features that customers look for but that are not offered to a satisfactory extent.
 - c. Regroup and redeploy resources to more profitable customers.

Pradeep Anand is President of Seeta Resources (www.seeta.com), a consulting firm focused on accelerating revenue and margin growth of its client firms.